

## POLITICAL ECONOMY OF REMITTANCES OF INDONESIAN MIGRANT DOMESTIC WORKERS IN HONG KONG DURING THE COVID-19 PANDEMIC

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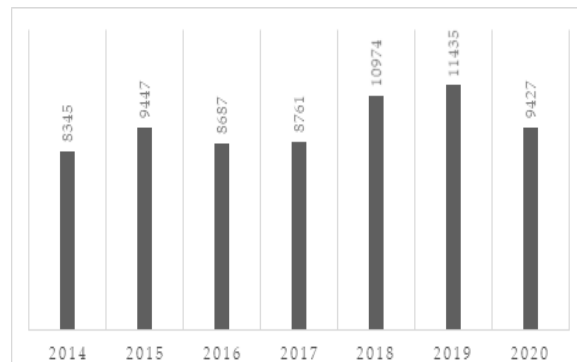
**ABSTRACT.** The Covid-19 pandemic has changed all aspects of people's lives around the world, including remittances. Interestingly, Bank Indonesia in 2020 stated that remittances, the majority of which came from migrant domestic workers, from Hong Kong tended to be stable. This study uses a political economy approach to see how several economic and political factors affect the stability of the remittances of Indonesian migrant domestic workers in Hong Kong. This study uses the theory from Dilip Ratha (2003) regarding the stability of remittances during the economic crisis, where there are two factors, namely (1) the presence of automatic stabilizers in migrant worker receiving countries and (2) the ease of remittance financial infrastructure. This study uses qualitative data collection methods to reveal the empirical reality experienced by domestic workers from Indonesia in Hong Kong. As a result, there is a relevance of the financial infrastructure factor for remittances to the experience in Hong Kong during the Covid-19 pandemic. This study found several other factors that were not proposed by Ratha, namely the struggle of migrant workers unions in Hong Kong to respond to the crisis period and the existence of politics of surviving. This politics of surviving is similar to the concept of 'double movement' from Karl Polanyi (2001). This factor together with two other factors is cause of the stability of remittances to Indonesia. Comparison with other countries will also show other factors that cause remittances remain stable during the Covid-19 pandemic.

**Keywords:** Remittances; migrant domestic workers; migrant workers union; Covid-19 pandemic; double movement

### INTRODUCTION

The Covid-19 pandemic has changed various aspects of people's lives. Various countries in the world have suffered losses due to this pandemic, especially the economic aspect. The IMF (International Monetary Fund) also said that the global economy will shrink by approximately 3 percent in 2020. This represents the worst decline since The Great Depression in the 1930s. Based on data from Kompas.com, both developed and developing countries, all experienced an economic recession. Developed countries in the second quarter of 2020 such as the United States experienced minus 32.9 percent economic growth, then Germany with minus 10.1 percent economic growth, then France with minus 13.8 percent economic growth, and Italy with minus 17.3 percent economic growth. Meanwhile, developing countries in the second quarter of 2020 such as Malaysia experienced minus 16.5 percent economic growth, Thailand with minus 12.2 percent economic growth, and Philippines experienced minus 16.5 percent economic growth (Ulya, 2020).

For developing countries, this economic crisis will also be exacerbated by the loss of remittances. The World Bank in April 2020 estimated that remittances would decline sharply by around 20 percent in 2020 due to the economic crisis caused by the pandemic and regional quarantines in each country (Lestari, 2020). The decline projected by The World Bank will be the sharpest drop in history. This is largely due to the decline in wages and employment of migrant workers who tend to be more vulnerable to lose their jobs and wages during the economic crisis in the countries where they work.



Source: Bank Indonesia. (2021). "Remitansi TKI Menurut Negara Penempatan". *Statistik Ekonomi dan Keuangan Indonesia*. [https://www.bi.go.id/seki/tabel/TABEL5\\_31.pdf](https://www.bi.go.id/seki/tabel/TABEL5_31.pdf), has been reprocessed.

**Figure 1. Amount of Indonesian Migrant Workers Remittances (in million USD)**

According to KBBI (Kamus Besar Bahasa Indonesia), remittances are money transferred from abroad. This is similar to the definition of remittance according to Bank Indonesia (2009), which is part of the salary of Indonesian Workers (TKI/Tenaga Kerja Indonesia) that enter Indonesia through money transfer services or are taken directly when returning to Indonesia (Sari & Sugiharti, 2016). Remittances can be in the form of money and goods. But in its development, this definition has expanded, not only money and goods, but also skills and ideas. Remittance according to Curson (1981, in Putra, Chadijah, & Warsito, 2017) is a transfer of money, goods, development ideas from the migration destination to the area of origin and is an important instrument in the socio-economic life of a society.

Figure 1. above tries to show how the condition of remittances sent to Indonesia in the last 6 years. Interestingly, although it looks fluctuating, it can be

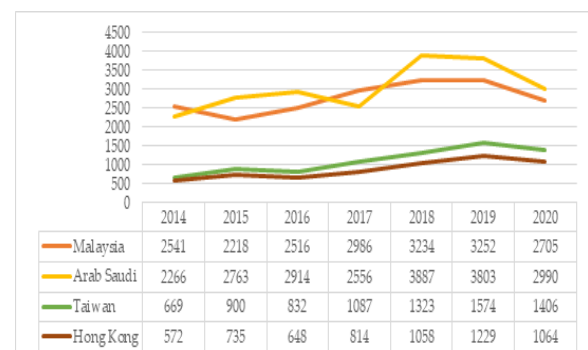
said that the remittances obtained tend to be stable from year to year. Tend to be stable in this study refers to not much different in numbers compared to previous years. Even the number of remittances that declined in 2020 – during the pandemic – was almost the same as the highest remittances before 2018 and 2019.

In addition, Figure 1. also shows a 17.56 percent decrease in remittances received in 2020 during the Covid-19 pandemic. Head of the Indonesian Migrant Workers Protection Agency (BP2MI/Badan Perlindungan Pekerja Migran Indonesia), Benny Rhamdani, said that during the Covid-19 pandemic, as many as 162,000 Indonesian migrant workers had also been repatriated to their homeland. But interestingly, the decline in 2020 is not a sharp decline, in fact the number is still higher than in 2014-2017. Whereas, as is well known, this pandemic is one of the biggest crises in history. In 2016, the decline occurred due to the imposition of a moratorium on informal migrant workers to the Middle East in May 2015. Until 2018, the moratorium was still in effect because many Indonesian workers were executed, such as the Tuti Tursilawati case that happened at the end of October 2018. However, remittances in 2018 increased due to the relatively high dollar exchange rate throughout 2018.

One of the countries that has long been a destination for Indonesian migrant workers is Hong Kong, especially for domestic workers. This is because of the salaries, relatively higher aspects of freedom, and Hong Kong is a country with a high migration infrastructure (Liang, 2016). Based on research conducted by Singgih Susilo on migrant domestic workers in Hong Kong, Hong Kong has higher salary standards than Malaysia and Saudi Arabia, there are regulations that allow migrant workers to make a union, and job protection by the state (Susilo, 2016, p. 42). The data is obtained from the General Chairperson of the Indonesian Migrant Workers Union (SBMI/Serikat Buruh Migran Indonesia), Hariyanto, and quoted back by Liputan6 that the wages given in Malaysia are only around 3 million rupiah per month and in Saudi Arabia it is only around 5 million rupiah per month. Whereas in Hong Kong, the wages of migrant domestic workers can reach around 8 million rupiah per month (Ariyanti, 2017).

The impact of this pandemic on Indonesian migrant workers working in Hong Kong is also significant, considering that migrant domestic workers from Indonesia are the second largest after migrant domestic workers from the Philippines. The composition of migrant domestic workers in Hong Kong is as follows: the Philippines accounts for 53 percent, 44 percent from Indonesia, and the

rest mostly from Thailand, Sri Lanka, and Nepal (Cheung, 2017, p. 20). Based on data submitted by the Head of BP2MI, Benny Rhamdani, from May to June 2020 many Indonesian migrant workers had their contracts expired, had Eid Al-Fitr leave, or were laid off in the countries where they worked due to the Covid-19 pandemic, including 11,000 Indonesian migrant workers from Hong Kong experienced this wave of repatriation (Burhan, 2020). The termination of the employment relationship (PHK) of Indonesian workers is also due to the Hong Kong economic recession that has continued since 2019. The Covid-19 pandemic has made Hong Kong's economic recession worse after Hong Kong's economic growth in the second quarter of 2020 was recorded at minus 9 percent (Setiawan, 2020).



Source: Bank Indonesia. (2021). "Remitansi TKI Menurut Negara Penempatan". *Statistik Ekonomi dan Keuangan Indonesia*. [https://www.bi.go.id/seki/tabel/TABEL5\\_31.pdf](https://www.bi.go.id/seki/tabel/TABEL5_31.pdf), has been reprocessed.

**Figure 2. Remittances of Indonesian Migrant Workers by Host Country (in million USD)**

One of the interesting thing is shown by Figure 1.2 that during the Covid-19 pandemic the remittances received from Hong Kong also tended to be stable and the amount was still higher than in 2014-2017, the same as Figure 1.1. 2019 was the year with the highest remittances and in 2020 the decline was around 13.43 percent. A different trend of remittances occurred from Malaysia and Saudi Arabia, where It was clear that there was a sharp increase or decrease in remittances. This indicates that there are factors that make the trend of remittances from Hong Kong tend to be stable.

Regarding the absence of a theory that specifically explains the stability of remittances during the pandemic, the author tries to use Dilip Ratha's theory of remittance stability in his writing entitled "Workers' Remittances: An Important and Stable Source of External Development Finance". Dilip Ratha (2003) said that "Remittances were one of the least violated sources of foreign exchange for developing countries in the 1990s. While capital flows tend to rise during favorable economic cycles and fall in bad times, remittances appear to react less violently and show remarkable stability over time"

(Ratha, 2003, p. 160). This means that remittances from migrant workers tend to be stable, when compared to other capital flows, such as FDI (foreign direct investment). Remittances have been one of the least volatile sources of foreign exchange income for developing countries since the 1990s. In a crisis, these remittances can be seen as a 'savior' for the country because the numbers tend not to experience a sharp decline.

One reason is that receiving countries – often developed countries – often already have fiscal systems with automatic stabilizers that may offer migrant workers income protection during economic downturns. Immigrant households that receive social security or unemployment insurance are 10 to 15 percent more likely to remit, and their monthly remittances abroad are higher than immigrant households that do not receive such social security. Another reason for the relative stability of these remittances is that in the face of an economic downturn in the country of origin, migrant workers are forced to return to their home country causing them to return all their savings. This was during the 1990-1991 Gulf War which forced some of Indian workers in the Gulf to return home, which causes remittances to India did not decline.

Weaknesses in the financial sector and government administration impose large transaction costs on the migrant workers who send them. Easing these constraints could increase the receipt of remittances, as well as bring a greater share of remittance payments into the formal financial system. Better banking sector technology can substantially reduce transaction costs by speeding up checks, reducing exchange rate losses, especially for migrant workers from developing countries living in rural areas.

In short, the main thesis of Ratha used in this study is that in the economic crisis, the stability of remittances occurs because (1) there are automatic stabilizers in migrant worker receiving countries that allow income protection for migrant workers, such as social security or unemployment insurance, and (2) ease of remittance financial infrastructure. These two main theses are used to guide this research.

However, it should be underlined that Ratha's thesis is not intended to analyze the stability of remittances during the pandemic crisis. Meanwhile, the Covid-19 pandemic has forced migrant domestic workers, as a vulnerable group to be affected by the crisis, to find ways to survive. Literature from Alexander E. Kentikelenis (2018) tries to discuss strategies or politics of survival taken from Karl Polanyi's idea of the double movement or counter movement. When vulnerable groups are under pressure, there will be a counter movement from

them to survive. In addition, other literature from Akanksha Srivastava et al. (2021) explained that Covid-19 caused a lockdown in India which resulted in job losses, food crises and other financial catastrophes. On the other hand, they have to carry the burden of the family and take care of their children. This creates stress, fear, and trauma for these migrant workers. The survival mechanism they do is to get social support from family and friends to increase their resilience and increase their level of happiness in rare moments.

## METHOD

This study uses a qualitative method. In collecting qualitative research data, emphasis is placed on "words" rather than quantification or "numbers" (Puskapol, 2014, p. 19). This study seeks to provide an overview and explanation of the phenomena raised by the researchers, so that the method used is qualitative. Qualitative methods also mean embodying a view of social reality as something that emerges continuously from society (Bryman, 2012, p. 36). The theory used is not to be tested but as a research tool to explain existing social phenomena.

To select the sample, the researcher used purposive sampling method. Samples in qualitative research are not chosen randomly or randomly, but carefully and carefully selected samples that represent the research and its objectives. This technique provides depth in data collection. The sampling technique in qualitative research is often also referred to as "internal sampling" because it is not at all intended to seek generalizations but to obtain depth of study in a particular context (Yin, 2011).

The data collection technique of this research uses online interviews using Google Meet with two Indonesian migrant domestic workers in Hong Kong (Sherli Inggrit and Wahyu Saputro) and one former Indonesian migrant domestic worker in Hong Kong (Yuli Riswati). In addition, this research also uses secondary data collection, namely document and media studies. Secondary data is needed to complete information that cannot be obtained through interviews and is also carried out for data triangulation. So that in selecting the sample, researcher used purposive sampling method, in which the informants were not chosen randomly but carefully selected that represented its objectives.

This study also uses political economy analysis. Political economy analysis is generally concerned with how political decisions and the dynamic interrelationships between actors and factors can affect the economy. Political economy means asking

how political constraints explain different policy choices and economic outcomes (Drazen, 2000, p. 7). In other words, this study wants to see the relationship between political economy factors that cause remittances during the Covid-19 pandemic tend to be stable, which in the end also has a positive impact on the Indonesian economy.

Academically, this research is expected to enrich the study of political science, by developing a political economy analysis perspective on the impact of the Covid-19 pandemic. In addition, this research can enrich scientific studies on remittances and Indonesian migrant workers. Moreover, there are currently no studies that discuss the implications of a pandemic or crisis period on remittances for Indonesian migrant workers, so it is hoped that this research can fill this academic void.

## RESULTS AND DISCUSSIONS

Remittances are basically related to power relations. The power relation in this case is between migrant domestic workers, employers, Hong Kong government, migrant workers unions, and employer associations. The relation between these actors determines the number of wages for migrant domestic workers in Hong Kong which will later be sent by migrant workers back to their hometowns. The amount of this wage will determine the survival of migrant domestic workers and their families in their hometowns. In the context of Hong Kong, a series of regulations that have been made can be said to benefit both parties (employers and migrant domestic workers). This attracts prospective migrant domestic workers who choose host country in Hong Kong. One of the advantages for migrant domestic workers is the rules regarding the permission to associate and to make a movement. Even the Hong Kong government also conducts tripartite negotiations (Hong Kong Labor Department representatives from employers' associations, and representatives from migrant domestic workers unions) every year to discuss complaints from each party and related to wages (interview with Yuli Riswati, 2021). This tripartite meeting also discussed about minimum wage increase for migrant domestic workers. Every year the Hong Kong government will also publish a press release related to the increase in the minimum wage for migrant domestic workers. Usually, this minimum wage increase is around HK\$100.

Table 1. shows that there is a pattern of annual increases of approximately HK\$100. In 2009, 2010, and 2020 there was no increase due to the economic crisis at that time, so the government had to readjust. The minimum allowable wage (MAW) is a wage protection provided to migrant domestic

workers di Hong Kong. The employer must pay wages not less than the current MAW at the time of signing the contract. On the one hand, this protects migrant domestic workers and on the other hand protects local workers from competition with cheap foreign labor. MAW will be reviewed periodically by the Hong Kong Special Administrative Region Government, considering the general economic and employment situation in Hong Kong (Hong Kong Labour Department, 2020).

**Table 1. List of Minimum Wage Increases for Migrant Domestic Workers in Hong Kong**

Ratified Date	Minimum Wage (per month)	Increase Amount
May 18 <sup>th</sup> , 2005	\$3,320	\$50
May 30 <sup>th</sup> , 2006	\$3,400	\$80
June 8 <sup>th</sup> , 2007	\$3,480	\$80
July 9 <sup>th</sup> , 2008	\$3,580	\$100
September 2 <sup>nd</sup> , 2009	\$3,580	-
August 25 <sup>th</sup> , 2010	\$3,580	-
June 1 <sup>st</sup> , 2011	\$3,740	\$160
September 19 <sup>th</sup> , 2012	\$3,920	\$180
September 30 <sup>th</sup> , 2013	\$4,010	\$90
September 30 <sup>th</sup> , 2014	\$4,110	\$100
September 30 <sup>th</sup> , 2015	\$4,210	\$100
September 30 <sup>th</sup> , 2016	\$4,310	\$100
September 29 <sup>th</sup> , 2017	\$4,410	\$100
September 28 <sup>th</sup> , 2018	\$4,520	\$110
September 27 <sup>th</sup> , 2019	\$4,630	\$110
September 29 <sup>th</sup> , 2020	\$4,630	-

**Source:** Hong Kong Government. *Press Release Minimum Allowable Wage and food allowance for foreign domestic helpers*. Has been reprocessed.

Although during the pandemic there was no cut in the wages of migrant domestic workers, their workload has increased and they have to work harder than usual. For example, usually these migrant domestic workers only clean the house once a week, then increase to three times a week. Discrimination against migrant domestic workers was also felt during the pandemic. Employers do not allow migrant domestic workers to go in and out of their houses freely, while employers are free to enter and leave their houses and often hold festive celebrations and gather with friends or relatives at home, such as Christmas, Chinese New Year, and New Year. This results in the loss of holidays for migrant domestic workers. As a context, migrant domestic workers in Hong Kong get 1 day off in a week, in which that day migrant domestic workers can leave the employer's house for vacation and meet friends. However, since this pandemic, there has been a direct call from the Hong Kong government that migrant domestic workers should not go outside and stay at their employer's house during holidays. This allows for exploitation because employers may still order migrant domestic workers to work even though



some employers reimburse the money or consider an overtime pay.

There is also no social security in the form of cash or daily necessities provided by the Hong Kong government to migrant domestic workers. Migrant domestic workers are an excluded group from the direct cash assistance provided by the Hong Kong government during the pandemic. However, there is assistance in the form of free masks, both from the Hong Kong government and the Indonesian government, and free swab test facilities and vaccines from the Hong Kong government.

Remittances sent by migrant domestic workers to recipients in Indonesia have also changed. One of the Indonesian migrant domestic workers working in Hong Kong said they had to send more money to their hometowns because the need for recipients was rising. For example, the children of migrant domestic workers there must study from home so there is an additional purchase of credit, school needs, electricity increases because all activities are now carried out at home. Plus, if there are recipients or family members in their hometowns who are laid off due to Covid, the migrant domestic workers must send more than usual. Since the pandemic, the economic conditions of the families of migrant domestic workers in their hometowns have changed. Just like other societies, they can't go anywhere. Several businesses built by migrant domestic workers in their hometowns also went bankrupt.

The efforts of the Indonesian government to overcome and prevent the return of migrant workers to Indonesia, in this case only to the level of lobbying. The Indonesian government, in this case the Consulate General of the Republic of Indonesia (KJRI), does not have the authority to terminate employment because termination of employment is the right of employers and migrant domestic workers. So that in this case KJRI can only help lobby and provide counseling and assistance for Indonesian migrant domestic workers. KJRI in Hong Kong approached the Hong Kong government through mediation and meetings with the Hong Kong Labor Department with the Philippine government to respond to the situation and conditions that occurred during the pandemic. If there is a problem between the employer and the Indonesian migrant domestic worker, KJRI's duty is to accompany the migrant domestic worker and enter the employer's name on the blacklist so that when the employer wants to take the migrant worker from Indonesia, it will automatically be rejected.

The condition of financial infrastructure, such as banks (formal channels) for sending money has not changed during this Covid-19 pandemic. The administrative costs will remain the same as before the pandemic. Regarding the business transactions of

remittances from and outside the country, each bank is quite diverse and some are still able to record growth. Non-bank channels are also affected. However, as is the case with banks, non-bank remittance companies that have remittance applications are much more able to maintain turnover stability compared to those that do not. One example is TNG Wallet. In the first quarter of 2020, TNG in Hong Kong grew by 30 percent. This amount of activity reflects the increasing number of cases of the Covid-19 pandemic, where migrant domestic workers take advantage of the strengthening US dollar and their desire to bring as much money as possible to their home countries, such as the Philippines and Indonesia. For information, the strengthening dollar becomes an advantage for the recipient country because the exchange rate becomes larger, and the value of remittances will also increase.

Furthermore, there is also the influence of migrant workers' unions. The movement and struggle of migrant domestic workers unions in Hong Kong cannot be seen from just one period, namely during the Covid-19 pandemic. This struggle has been going on since the 2000s and migrant domestic workers continue to be consistent. So that the absence of wage cuts in 2020 is one of the results of the struggles of migrant domestic workers unions that have been carried out for a long time, not the result of an instant struggle. There's a history of migrant workers union struggles to maintain and continue to increase the minimum wage, especially during times of crisis such as in 2008 (global economic crisis) and in 2003 (SARS). The influence of migrant workers unions has had a major impact on policy changes in the Hong Kong Labor Department. This is partly because the migrant workers union movement is not only supported by the migrant workers who work there but they also get a lot of support from local people who are concerned about the fate and condition of migrant workers in Hong Kong.

### Comparison with Other Countries

The decline in Indonesian remittances is much sharper than the Philippines. The Philippines is the largest sending country for migrant workers in Southeast Asia. The distribution of countries that become the destination of Filipino migrant workers is also much wider than Indonesia. The Central Bank of the Philippines noted that migrant workers' remittances fell by only 0.76 percent, far from the World Bank's forecast that migrant workers' remittances had fallen by around 20 percent due to the pandemic. Meanwhile, Indonesia experienced a decline in remittances in 2020 by 17.6 percent. Philippine remittances increased from the United States and Singapore, which were 5.5 percent and 12.7 percent, respectively. Outside these two

countries, average remittances fell, including from Saudi Arabia. However, Filipino remittances from Saudi Arabia did not experience a greater decline than Indonesian remittances from Saudi Arabia (Taufiqrohman, 2021).

Nepal is one of the countries whose economy is dependent on remittances. Remittances have emerged as one of the key economies of Nepal in the last two decades (Sah, 2019, p. 196). Nepal is one of the poor and developing countries. Nepal's dependence on remittances accounts for 23 percent of GDP. The decline in remittances by around 25 percent has hampered the pace of Nepal's economic growth and resulted in a widening national resource gap during the pandemic. In this situation, the Nepalese government should stick to investment in alternative sectors, apart from remittances, such as agriculture, livestock, fisheries, construction, and so on. It is a better alternative to generate income for out-of-contract migrant workers and other unemployed masses there (Chaudhary, 2020).

Seeing the pattern, countries that received remittances from Hong Kong, namely the Philippines and Indonesia, did not experience a drastic decline in remittances in 2020. Received remittances still tend to be stable even though Hong Kong was also hit by an economic recession. Meanwhile, if we compare to Nepal, the remittances received have decreased drastically and directly affect Nepal's economic growth. It is understood that there are aspects of the employment sector of migrant workers that affect the stability of remittances during this health and economic crisis. Nepalese migrant workers working in India mostly work in the informal and seasonal sector, mainly in agriculture (about 26 percent) and construction (about 30 percent) without formal employment contracts or other benefits, without placing a contractual obligation on their employers to provide them with food, accommodation, or health care (International Labour Organization, 2020, p. 3). Nepalese migrant workers in Malaysia, as the main destination country for Nepalese migrant workers, amounted to 73.39 percent working in the manufacturing sector.

These sector differences also allow for the influence of the stability of the remittances received in the country of origin. The Philippines and Indonesia send their migrant workers to the domestic sector (foreign domestic helpers) in Hong Kong, where domestic work is one of the essential sectors. Although there are repatriations or layoffs that occur, they may not be as massive as layoffs in the manufacturing, construction, and so on because Hong Kong society is very dependent on migrant domestic workers.

Dilip Ratha's theory of remittance stability can explain part of what happened to the remittances of

Indonesian migrant domestic workers in Hong Kong during the Covid-19 pandemic. Of the two theses used, only one can explain the phenomenon of the stability of Indonesian migrant domestic workers' remittances in Hong Kong, namely the ease of financial infrastructure. However, there are other things that have happened in the field that have made these remittances stable, which Dilip Ratha couldn't explain, namely the politics of survival and the support capacity of migrant worker unions in Hong Kong. The existence of automatic stabilizers, such as the existence of social security and unemployment insurance, does not occur in this phenomenon.

This study finds that there are other factors outside the mechanism of market institutions (remittance financial infrastructure) and state institutions (automatic stabilizers or the existence of social protection for migrant domestic workers, especially in the Hong Kong context where there is a guarantee of free wage deductions), there are other mechanisms that influence stabilization of remittances, namely a survival mechanism. This survival mechanism is related to how Indonesian migrant domestic workers find ways to still be able to send money back to their hometowns in increasing amounts considering the various needs of recipients increase during the pandemic. On the other hand, there is no increase in wages (due to the economic crisis) or direct cash assistance for migrant domestic workers (because they are not citizens).

This survival policy bears some resemblance to the 'double movement' of Karl Polanyi (Polanyi, 2001, p. 138). This back movement or double movement wants to explain that there are self-protection measures from marginal groups or working-class groups from the crisis (Herry-Priyono, 2010, p. 192). This counter movement is manifested in the movement of workers' groups, farmers, or civil society groups that are affected by the pressures of the upper middle class or in this context economic pressures. This reverse movement was also discussed by Alexander Kentikelenis that there is a combination of strategies to survive which aims to respond to the pressures of the economic crisis in Greece which resulted in high unemployment, a decrease in living standards, loss of social status, and so on (Kentikelenis, 2018).

Indonesian migrant domestic workers in Hong Kong are using various means of survival to be able to send large sums of money during the pandemic to their hometowns. Many families in their hometowns depend on migrant domestic workers, especially during this pandemic, where families who have experienced layoffs, their children's school needs, the need for PPE, such as masks and hand sanitizers, have increased remittances from migrant domestic

workers. On the other hand, in 2020 the Hong Kong government did not increase the minimum wage for foreign domestic helpers, so that there are things that migrant domestic workers have to sacrifice, such as sacrificing savings, looking for other income, or even looking for loans.

In addition, the carrying capacity of migrant domestic workers' unions also affects this stability. The historical aspect of the struggle and movement of migrant workers' unions in Hong Kong makes migrant workers' union groups have great political power in public policy making. As previously discussed, the role of migrant workers' unions is very large in making policies on employment. This is also what makes Hong Kong special as a destination country for migrant workers, namely that migrant workers are allowed to form unions and their rights are guaranteed by the local government. Their movement is also supported by the local community.

This is also an interesting finding that Dilip Ratha cannot explain. The research method used by Dilip Ratha is a quantitative method with a macro approach, which puts forward numbers and explanations more on technical and regulatory aspects. The method used by Dilip Ratha does not consider the experiences and socio-political perspectives that exist in this phenomenon. This study finds things that cannot be explained by a macro approach, namely that it turns out that there are factors from actors other than the government that also affect the stability of remittances for Indonesian migrant domestic workers in Hong Kong, including survival politics and support from migrant workers unions in Hong Kong. The survival politics carried out by many migrant domestic workers indirectly affects this stability because somehow, they must try to send money to their families or recipients at home, coupled with this pandemic situation, the needs of recipients are increasing because they have to pay for PPE equipment (masks, hand sanitizers) and the cost of electricity and increased credit. By sacrificing time, sacrificing savings, looking for other income, or even looking for a loan, they still try to send money back to their hometown. It is these processes that Dilip Ratha has not been able to explain, considering that the method used focuses on the result rather than the process as well as a deeper understanding of a phenomenon.

In addition, the existence of a remittance application has proven to greatly facilitate remittance transactions for migrant domestic workers. In the future, this remittance application will really help migrant domestic workers, without having to go outside to make transactions. On the other hand, an application like this can also help banks to maintain stability in their growth, especially in times of a

pandemic like this. For example, BNI and BRI Remittances are still able to maintain stability in the growth of remittance transactions. In the case of Bank Mandiri, making remittance transactions through applications or other digital-based programs will only be encouraged after learning that there has been a decrease in the frequency of remittance transactions during the first semester of 2020 (Wiratmini, 2020).

Due to the current health crisis, people are currently being warned to stay at home as much as possible. So that community activities that are usually carried out in person or face to face, now must be done online. Covid-19 has forced consumer behavior to change on a large scale, causing a surge in digital consumption across the board, from mobile commerce and food delivery services to digital content production. There are many traditional/conventional remittance companies, which have not used remittance applications, cannot thrive in the Covid-19 situation. On the other hand, remittance companies and remittance banks that have remittance applications have shown growth in this pandemic situation, such as BNI and BRI, as well as other non-bank money transfer agents. Dilip Ratha (2003) has said that the existence of digital transformation in remittances, such as applications, can make it easier for migrant workers to send money more easily to their home countries. This was proven now in the Covid-19 pandemic where today's society must be able to adapt to the digital world for the sake of each other's survival. Even so, remittance transactions through banks are still considered important for migrant domestic workers because there are still migrant domestic workers who do not understand technology or who do not have accounts at banks that have remittance applications.

## CONCLUSION

The remittances of Indonesian migrant domestic workers in Hong Kong during the Covid-19 pandemic did not decrease significantly. This study raises the question of how the interrelationships between economic and political factors can affect the stability of the remittances of Indonesian migrant domestic workers in Hong Kong. This study argues that several interrelated political economic factors make remittances of Indonesian migrant workers from Hong Kong tend to be stable. In short, there are factors of convenience in the remittance financial infrastructure, the support capacity of unions in fighting for no reduction in the minimum wage for migrant domestic workers from the Hong Kong government, and the existence of political factors for survival.

The attempt to answer the research question is based on Dilip Ratha's theory which tries to explain the



stability of migrant workers' remittances despite the ongoing economic crisis. Ratha said remittances were the country's most stable source of external income. Migrant worker host countries often have systems with automatic stabilizers that may offer migrant workers income protection during economic downturns. In addition, the ease of financial infrastructure for remittances also affects the number of money transfers sent by migrant workers. The easier and cheaper the access to money transfers to the country of origin, the greater the potential for migrant workers to send money frequently.

In conclusion, Dilip Ratha's theory has succeeded in explaining some of the phenomena that occur in remittances of Indonesian migrant domestic workers in Hong Kong. This study also found that the stability of remittances during the pandemic was significantly affected by the increase in the cost of daily necessities for remittance recipients. This is something Ratha has not explained. This study calls it the politics of survival and the carrying capacity of migrant workers' unions.

The politics of survival is a factor beyond market institutions (remittance financial infrastructure, such as banks or other non-banking agencies) and outside state institutions (in the form of cash transfer policies or social insurance) where individuals seek to survive for the sake of their families and themselves. The politics of survival is related to the back movement or double movement of Karl Polanyi (2001), where when vulnerable groups are under pressure, they will try to provide a counter movement to survive, in this context by sacrificing savings, looking for other income, or seek a loan.

The supporting capacity factor of migrant workers' unions also has a big influence on the absence of wage cuts for migrant domestic workers in Hong Kong. With the 1999 and 2003 wage cuts for migrant domestic workers in Hong Kong, the migrant workers' union in Hong Kong was consistent in its movement in fighting for an increase in the minimum wage and in advocating for basic workers' rights. The consistent struggle of migrant domestic workers' unions has made the Hong Kong government finally take their voices into account in public policy. This cannot be separated from the role of the Hong Kong government in opening political space for migrant workers, where migrant workers there have the same rights as local workers, including being able to form trade unions and carry out movements or propaganda. The interrelationships between political economy factors in this regard lead to stability in remittances even in times of economic and health crises. Migrant domestic workers unions asked the Hong Kong government not to cut their minimum wages and finally the Hong Kong government agreed not to

cut the wages of migrant domestic workers in 2020. Actors engaged in remittance finance infrastructure are also looking for ways how in this pandemic period migrant domestic workers do not difficulties in sending money to Indonesia.

It is hoped that this research can trigger further research related to the findings in this study, for example the struggle and movement of migrant worker unions during the Covid-19 pandemic, the role of remittances at the village or regional level during the pandemic, and so on. The researcher realizes that there are still many shortcomings in this study, so that the researcher hopes in the next research to be able to analyze further related to the remittances of Indonesian migrant workers.

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